

Legislative History for Connecticut Act

HB 8041	PA 37	1973
House - 1147-1153		7
Senate - 1079-1080		2
Labor - 163, 186-191		7
LAW/LEGISLATIVE REFERENCE		
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CONNECTICUT
GEN ASSEMBLY
HOUSE

PROCEEDINGS
1973

VOL. 16
PART 3
939-1415

March 20, 1973

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THE CLERK:

of the day one or more employees in each of twenty different
Calendar No. 28, your file No. 61, House Bill No. 8041.

An Act Conforming the State Unemployment Compensation Law to
Federal Law. Favorable report of the Committee on Labor and
Industrial Relations. The law. The twenty weeks alternative

THE SPEAKER: is also a matter of federal conformity. But those
employers who are covered by the law because of

REP. MATTHEWS (143rd):

bill Mr. Speaker, I move acceptance of the Joint Committee's
favorable report and passage of the bill.

THE SPEAKER: conformity with federal law where the federal law

specifically prescribed standards. Mr. Speaker, I move accept-

REP. MATTHEWS (143rd):

Yes, Mr. Speaker. This bill if enacted would bring the
Connecticut Unemployment Compensation Law into conformity with
the federal law signed into law by the President in 1970.

The Employment Security Amendments of 1970 require each state
as a matter of conformity to federal law to enact legisla-
tion requiring employers to be covered if they pay wages in
calendar quarter \$1500 or more or employ for some portion

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of the day one or more employees in each of twenty different calendar weeks. Our present law is out of conformity because it does not have the \$1500 requirement. This bill will extend coverage to more employers and thus more of our citizens will be protected by the law. The twenty weeks alternative requirement is also a matter of federal conformity. But those employers who are covered under the present law because of the thirteen week provision will, under the terms of this bill, continue to be covered. Connecticut is the only state not now in conformity. Unemployment compensation laws must be in conformity with federal law where the federal law specifies prescribed standards. Mr. Speaker, I move acceptance and passage of the bill.

THE SPEAKER:

Will you remark. If not, if all members would please take their seats. Gentleman from the 104th.

REP. AJELLO (104th):

Mr. Speaker, I listened to the explanation and for the sake of clarity, I'd like to just emphasize one point or underscore it with a question to Rep. Reynolds. Rep. Matthews

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reported on the bill. I'm sorry, John. And that is whether or not the change from thirteen to twenty weeks is also part of this conformity with the federal statutes which we are required to undertake.

THE SPEAKER:

The gentleman from the 143rd. Care to respond.

REP. MATTHEWS (143rd):

Yes, Mr. Speaker. Through you, the twenty weeks is the requirement to change. The thirteen weeks, as I understand it, is not a requirement to change but will be retained because those who have been using it can still be eligible or would be--the employees involved with those employers would be covered.

REP. AJELLO:

Thank you, sir. Oh, Mr. Speaker, I simply would like to point out to members of the House that we are removing apparently from coverage, at least prospectively, what may or may not be a substantial group of people. And that is those persons who worked for some period between thirteen and twenty weeks and would now by virtue of our action today become

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ineligible and, therefore, we are restricting the coverage of the compensation law in Connecticut, it seems to me, and I think that should be pointed out and in making a decision as to whether or not to vote for the bill, one might want to have that in mind. Certainly, the record ought to contain a statement that we have reflected on this issue in our deliberations here in the Hall of the House. I certainly am all for bringing our programs in these areas into line with federal requirements because, indeed, our continued existence under federal contributions requires that, but I think also that in considering these we should be aware when we are doing something that is restrictive and is not necessarily mandated by the federal standards. As I understand it, in this instance the federal standard of twenty weeks is a minimum, not necessarily restrictive in that sense, so that Connecticut could very well, unless I am mistaken, continue to offer coverage after thirteen weeks.

THE SPEAKER:

Will you remark further. The gentleman from the 119th.

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REP. STEVENS (119th):

Just for a point of clarification on the Minority Leader's remarks. It's my understanding that the adoption of this bill will extend benefits to employees who are not now covered because Connecticut lacks the \$1500 requirement in our present statute and by passage of this bill we will have that as an alternative qualification for coverage. Additionally, the last sentence of the act before us would retain for employers who on December 31, '71, confirmed with the thirteen week provision. They would still be covered. So my understanding is that passage will extend rather than limit the benefits conferred under this particular section.

THE SPEAKER:

Will you remark further. The gentleman from the 23rd.

REP. BADOLATO (23rd):

Mr. Speaker, I rise in opposition to this bill. This bill as the Minority Leader pointed out does much more than is required by the title of the act, and certainly is not required by federal standards. The bill will be denying some certain people that work for employers coverage. The last

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four lines of the bill clearly points out that it's unconstitutional because you're not providing equal protection of the law under this section of the statute.. So that I, in good conscience, can't support a bill that is not treating all employees of any employer equal. This is a, the first in a long series of bills that are coming out of the Labor Committee that are regressive in nature and will set back the people of the State of Connecticut, the working people of the State of Connecticut, back to where they were some twenty-odd years ago.. And the first one is a slight pinch. They're going to get that much more difficult as time goes on. So I certainly am opposed to this bill and I would urge those of you in the House that have concern for those people that are attempting to earn a living in the State of Connecticut to vote no.

THE SPEAKER:

Will you remark further. If not, if the members would please take their seats, we'll proceed with the vote. The machine will be opened. Has everyone voted. The Clerk will please take a tally.

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THE CLERK:

Total Number Voting.....	145
Necessary for Passage.....	73
Those voting Yea.....	90
Those voting Nay.....	55
Absent and Not Voting.....	6

THE SPEAKER:

The bill is passed.

THE CLERK:

Calendar No. 79, your file No. 60, House Bill No. 8045..
 An Act Clarifying the Definition of Severance of Employment
 in School Systems. Favorable report of the Committee on Labor
 and Industrial Relations.

THE SPEAKER:

Gentleman from the 119th.

REP. STEVENS (119th):

May that matter be passed, retaining its place on the
 Calendar.

THE SPEAKER:

Motion by the gentleman from the 119th to pass-retain
 this item. Is there objection. If not, the item will be

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1973

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Wednesday, March 28, 1973

All those in favor signify by saying Aye. Opposed Nay. The ayes have it. THE AMENDMENT IS ADOPTED. It is ruled technical. will you proceed with the bill, Senator.

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SENATOR TRUEX:

I have already explained the bill, Mr. President and I move for the acceptance of the bill as amended.

THE CHAIR:

Question is on acceptance and passage. Will you remark further? All those in favor signify by saying Aye. Opposed Nay. The ayes have it. THE BILL IS PASSED.

THE CHAIR:

Thank you, Senator Zisk, for your sharp eye.

THE CLERK:

Mr. President, on page 6 of the Calendar, Cal. 232, File 61 is double starred. House Bill 8041, AN ACT CONFORMING THE STATE UNEMPLOYMENT COMPENSATION LAW TO FEDERAL LAW. Favorable Report of the Committee on Labor and Industrial Relations.

THE CHAIR:

Senator Powanda.

SENATOR POWANDA: (17th)

Mr. President, I move the acceptance of the Committee's favorable report and passage of the bill.

THE CHAIR:

Will you remark.

SENATOR POWANDA:

Mr. President, the employment security amendments of

Wednesday, March 28, 1973

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1970 require each state as a matter of conformity to Federal law to enact legislation requiring employers to be covered if they pay for services in employment wages of fifteen hundred dollars or more for some portion of a day in each of twenty different calendar weeks and add one or more employee. Our present law is out of conformity with Federal law because it does not have the fifteen hundred dollar requirement in it. This will extend coverage to more employers and thus more of our citizens will be protected by the law. A twenty-weeks alternative requirement is also a matter of Federal conformity but those employers who are covered under the present law because of the thirteen week provision will under the terms of this bill continue to be covered. I urge passage of the bill, Mr. President.

THE CHAIR:

Question is on acceptance and passage. Will you remark further. Hearing none, all those in favor signify by saying Aye. Opposed Nay. The ayes have it. THE BILL IS PASSED.

THE CLERK:

Mr. President, I have a couple of Changes of References. From Appropriations. S.B. 384, An Act Concerning Funding the Teachers' Retirement System.

THE CHAIR:

To Public Personnel and Military Affairs.

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JOINT
STANDING
COMMITTEE
HEARINGS

LABOR &
INDUSTRIAL
RELATIONS

1973

MR. MOKRISKI: Representative Matthews, Members of the Committee, my name is Charles Mokriski of the firm of Day, Berry and Howard, Hartford and I represent the Connecticut Daily Newspapers Association. I'd like to just register some brief positions on various of the Bills that have come before this one in the list, as well as this one. I didn't want to waste the Committee's time hopping up and down. On 1644 particularly, the Connecticut Daily Newspaper's Association is opposed because it is sometimes necessary to impose policies in a particular firm against possible nepotism in hiring practices and I think to be disqualified from adopting such an anti nepotism rule would be a burden on employers in general and newspapers in particular. Briefly, the Association is in favor of House Bill, Senate Bills 1512, 1538, 1512 is the Bill which limits the twenty six weeks the benefits that a mandatorily retired person may receive under the Unemployment Compensation Fund and reasons were given I think in sufficient completeness prior hereto as to why this would be a favorable Bill. 1538 merely tightens up eligibility as does 1539. Therefore, we are in favor of those two Bills. 1513 is also directed toward tightening up the eligibility for Unemployment Compensation Laws in this particular instance, by making a Statute of what is already in affect as an administrative regulation and I think it sounds public policy requires that where a regulation, either imposed or deprives one of substantial rights, that it should be in a Statute rather than regulation form. 1638 also tightens up eligibility for Compensation benefits and in that regard, the Association is in favor of it. Senate Bill 1563 and 8285 which increase the rates and also duration of benefit payable we think are inopportune at this time in view of the dire financial straits in which the Unemployment Compensation Fund is in and the Association's opposed to those two Bills. Finally, Representative Matthews, I'd like to change hats for a second here and speaking on behalf of Northeast Utilities, briefly oppose the Bill further down on the list, No. 8334, which would provide for compulsory arbitration in the case of strikes against Public Utility Companies. I'm sure that the pros and cons of compulsory arbitration have been voiced and discussed many times before this Committee and I won't go into the substance of those arguments. Suffice is to say there have been strikes against our client and we feel that to have foreclosed real collective bargaining by imposing compulsory arbitration in such instances would have been (inaudible) to the public interest. The public has not been harmed by those strikes and we think continued policy of respecting the freedom of bargaining in such situations is called for. Thank you very much.

REPRESENTATIVE MATTHEWS: Any questions from the Committee? I'd appreciate it if people will stay on the Bill that we ask. I realize it's getting late and I appreciate the quick summary that was just completed but we are 1644. Does anyone have any further comment on 1644? All right, H B 8041. Any comments? Mr. Van Winkle? No. House Bill 8285. I'll wait Joe, 'til you find out. Are you looking for what

STATEMENT BY
CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION, INC.
BEFORE THE GENERAL ASSEMBLY
LABOR AND INDUSTRIAL RELATIONS COMMITTEE
ON FRIDAY, MARCH 2, 1973

Mr. Chairman:

My name is Leon L. Lemaire. I am Vice President and General Counsel of the Connecticut Business and Industry Association, Inc. CBIA has nearly 3,000 member companies which employ more than half a million Connecticut men and women in all parts of the state. Our membership includes manufacturers, banks, insurance companies, utilities, communications, transportation, construction, retailers and a broad range of service businesses.

Early in 1972 our Unemployment Compensation Fund went bankrupt. Now we have been advised by the Unemployment Compensation Department that due to cash flow problems the State of Connecticut recently had to borrow an additional \$5 million from the federal government to make current benefit payments. The money was received on February 1, 1973. The state is already indebted to the federal government for a loan received on March 1, 1972 in the amount of \$31.8 million. To further compound the problem, the Department has made application for borrowing an additional \$10.7 million which will carry us through the month of March. There is an outside chance, however, that because contributions by employers to the Unemployment Compensation Fund generally are not received in substantial amounts much before the last week in April, that as much as another \$8 million may have to be borrowed to meet benefit payments.

This means that by the end of April there is a possibility that our debt to the federal government will amount to \$55.5 million. This is roughly 50% of the total amount of contributions which the state is expected to collect from employers in 1973.

Under federal law if that loan is not repaid by November 10, 1974, all Connecticut employers will in 1975 lose 10% of their federal tax credit or approximately .3%.

To further magnify the problem, projected benefit payments for the year 1973 will amount to \$122 million with income of approximately \$108 million, leaving a shortfall of about \$14 million.

One of the problems which we in Connecticut have faced for the past several years and more particularly since 1967 has been the substantial increases in both the duration and the amount of benefit payments to claimants. We have been extremely lax in both the legislative and administrative way in which we determine eligibility for and the amounts of benefits.

Connecticut has in fact been paying since 1967 the highest benefit levels, both in terms of weekly benefit rates and duration, of any industrial state in the union. We are one of the few states that provides dependency allowances in addition to weekly benefit amounts to individual claimants. Since our benefit rate is tied directly to the increase in the average weekly wage of Connecticut workers, we have a built-in inflationary and progressive increase in the cost of our system.

A direct result of low eligibility requirements and high benefit payments has been the bankruptcy of one of the best funded systems in the nation. In the brief period of less than three years we managed to spend not only in excess of \$300 million in reserves, but something in excess of \$200 million in current taxes imposed upon the employers of this state. Benefit payments at one point in the period referred to cost the employers of the State of Connecticut about \$5 million a week. Not one person here claims that these excessive payments are solely caused by laxity in administration or liberality in benefits. But neither can it be argued that our problem was merely a reflection of the national economy.

The time has long passed when corrective action to prevent fund abuses of our unemployment compensation system can be postponed. The mood of the people, the state of the fund, and the attitude of government has changed. Able-bodied men and women can no longer claim economic reasons for their unemployment. I can flatly state today that any person who wants to work can find work here in Connecticut. There are others, I am sure, who will give statistical information regarding the claims load, job opportunities, and the problems of placement. But in my everyday work I hear complaints by employers who have jobs available which remain unfilled for long periods of time. I am afraid that some people have grown accustomed to receiving benefit checks and have lost the will to work. The economic pressures are in the other direction. They encourage people not to seek employment when we should be doing everything in our power to find jobs for the unemployed.

I can tell you today that management is very discouraged by the response to want ads and other devices for filling job needs. This is not to say that all unemployed can find immediate placements, but I say all can within a reasonable period of time.

Much of the abuses which we have seen can be corrected through passage of several of the bills which are before you today. The initial qualifying requirements, requalifying for second year benefits, disqualification in the case of voluntary leaving, discharges for cause, and refusals of suitable work are all helpful.

In addition, I urge this committee to favorably consider the waiting week. Connecticut is one of only a handful of states that pays benefits from the first week of unemployment. It has been estimated that the removal of the waiting week resulted in a payout of approximately \$9 million last year. A single week of unemployment is easily sustained by the individual, and the reimposition would eliminate payments to persons floating between jobs. This would constitute a substantial savings to the fund based upon current claims load and would probably save the employers of the state between \$6 and \$7 million in the twelve months following enactment.

I urge your favorable consideration of the entire package of reform bills, but also, I strongly urge you to reject any bills that would increase benefit levels or make it easier to obtain benefits under our system.

I might in closing reassure the committee that none of the proposals here today will deny the legitimate claimant, who is actively seeking work, from receiving the benefits for which this social legislation is designed to provide. The various tests which are proposed here in these bills are common to states with high benefit levels. They are not unreasonable, but they will insure that the heavy tax burden which employers sustain is used to support claimants who are truly in the work force and unemployed through no fault of their own.

CBIA's position on the various bills before this committee today are listed on the attached sheet.

POSITION OF
 CONNECTICUT BUSINESS AND INDUSTRY ASSOCIATION, INC.
 BEFORE THE GENERAL ASSEMBLY
 LABOR AND INDUSTRIAL RELATIONS COMMITTEE
 ON FRIDAY, MARCH 2, 1973

BILLS SUPPORTED

<u>S.B. 1638</u>	Defining availability for work etc.
<u>S.B. 1645</u>	Defining work day and work week.
<u>S.B. 1512</u>	Duration of unemployment benefits to retired employees.
<u>S.B. 1513</u>	Defining suitable wage.
<u>S.B. 1510</u>	Redefining benefit year.
<u>S.B. 1539</u>	Requalification for benefits the second benefit year.
<u>S.B. 1538</u>	Minimum qualification for unemployment benefits.
<u>H.B. 8041</u>	Conforming to federal law.
<u>H.B. 8061</u>	Correcting technical errors.

BILLS OPPOSED

<u>S.B. 1563</u>	Increasing the maximum unemployment benefit rate.
<u>S.B. 1564</u>	Benefit eligibility for involuntarily retired employees.
<u>S.B. 1644</u>	Employment of related persons by businesses.
<u>H.B. 8285</u>	An additional thirteen weeks of unemployment compensation.